

## Ayrshire Farmers Mutual Telephone Co.

July 31, 1998

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Magalie Roman Salas Secretary Federal Communications Commission 1919 M Street, NW Room 222 Washington, DC 20554

Dear Ms. Salas:

Enclosed are the original and sixteen (16) copies of the comments of GVNW Inc./Management in response to the Commission's Notice of Proposed Rulemaking in CC Docket No. 98-77.

Also enclosed is one copy of our comments to be stamped and returned in the enclosed self-addressed stamped envelope.

Any questions regarding this filing may be directed to me at (712) 426-2800.

Sincerely,

Donald D. Miller

Jonah C. Mill

cc: Competitive Pricing Division Common Carrier Bureau Room 518 1919 M Street N. W. Washington, DC 20554

> International Transcription Service 1231 20<sup>th</sup> Street NW Washington, DC 20036

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## Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	)	
Access Charge Reform for Incumbent	)	CC Docket No. 98-77
Local Exchange Carriers Subject to	)	
Rate-of-Return Regulation	)	

## **Comments of Ayrshire Telephone Company**

Ayrshire Telephone Company is a small rural local exchange carrier serving \_\_\_ access lines in the state of Iowa. These comments focus on the impact of certain proposals included in the Notice of Proposed Rulemaking (NPRM) for access reform for rate-of-return incumbent local exchange carriers.

Specifically, we oppose the proposed rule change to allocate a portion of the General Support Facilities to the Billing and Collection category. While this procedure may be appropriate for price cap companies who provision the Billing & Collection service using their own computers, it is not appropriate for the small rural LECs that rely heavily on service bureaus for the provisioning of this service. Small LECs have very little opportunity to reduce billing & collection costs because they are dependent on outside service bureaus for providing this service. Other rule changes over the years have tended to allocate more and more cost to the interstate billing and collection category to the point that many small companies can no longer make a profit on the service. This

proposed change to the Part 69 allocation rules will provide many small LECs with the unintended incentive to terminate Billing & Collection agreements with IXC's.

In 1996 Ayrshire Telephone Company had \$8,394 revenue for the interstate

billing and collection service compared to a cost of \$5,511 resulting in a profit of \$2,883

before the OB&C change and the proposed GSF change. The change in OB&C rules

applied to the 1996 costs results in an interstate billing and collection cost of \$6,902

which reducing the profit to \$1,492. Taking this analysis the next step and folding in the

proposed GSF change results in a cost assigned to interstate billing and collection of

\$10,311, changing the profit into a loss on the service of \$1,917.

We ask the Commission to reject the proposed change which would jeopardize

the billing and collection service currently provided to interexchange carriers.

Respectfully submitted,

Don Miller

Ayrshire Telephone Company

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